

Frequently Asked Questions Financial Management of Federal Grants

1. Can CNCS share examples of good monitoring tools (risk assessments, site visit tool, member questionnaires, etc)?

Answer: There are examples of monitoring tools, member checklists and risk assessment processes on the Corporation's Resource Center website at <http://nationalserviceresources.org/grant-man#subgrantee>.

2. What is acceptable documentation for use of federal agency funds for match?

Answer: The Corporation does not prescribe how you are to document approval from another federal agency to use its grant funds to support your AmeriCorps grant. The Corporation's legislation permits the use of non-Corporation federal funds as match for the grantee share of the budget. You should discuss your intention of using the other federal funds to match an AmeriCorps grant with the other agency prior to submitting your application. There are several ways to approach the issue. You can request written approval from the other agency. You can describe the relationship between the other agency's grant and your AmeriCorps grant in your grant application to the other agency; the agency's approval of your application then recognizes that relationship. You can meet with your program and/or grants officer at the other agency and get their approval based on a description of the grant programs, their rules, and a review of the Corporation's match regulations. The Corporation's grants office is available to help your program and/or grants officer at the other agency understand the Corporation's regulations and grant budget application instructions.

3. If a member has a GED, can he/she participate in a tutoring program?

Answer: Yes, under the new law, any member that participates in tutoring services must have a high school diploma or a GED. Members cannot tutor if they don't have one or the other.

4. Is there a match requirement for fixed amount grants?

Answer: While there is no specific matching requirement for fixed amount grants, the grantee must still raise significant resources to operate the program. The fixed amount provided by the Corporation is not enough to cover all costs of operating an AmeriCorps program. The Corporation has published FAQs specifically about fixed amount grants at <http://www.nationalserviceresources.org/files/Fixed-Amount-Grants-FAQs.doc>

5. Will the fixed amount grants be funded for a 3-year cycle?

Answer: Fixed amount grants will be administered in the same way the Corporation administers cost reimbursement grants. They will be funded in one-year increments for a 3-year project period. Grantees will apply for continuation grants for second and third year funding, but will not have to re-compete within the 3-year cycle. The fixed amount

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funding may change in years 2 and 3. Grantees will be informed of any change in the application instructions for the continuation grant. The Corporation has published FAQs specifically about fixed amount grants at <http://www.nationalserviceresources.org/files/Fixed-Amount-Grants-FAQs.doc>:

6. What is an acceptable way to value volunteer services?

Answer: Corporation grantees may not use the value of volunteer service to meet matching requirements in most cases, unless the donated service is for professional services needed by the program, such as legal advice, accounting or individuals who serve in staff positions. In those latter cases, the in-kind match must be valued at what the market would pay for the donated services if they were directly purchased in a competitive environment.

7. Are all Corporation grantees audited by the Corporation's Inspector General?

Answer: The Inspector General audits about 35 grantees each year and selects them based on a risk-based process. Therefore, all grantees may not be audited over the period they receive CNCS funding.

8. Would an audit be likely only after a grant closes or could it be anytime?

Answer: The Inspector General usually conducts audits while grants are still active, but they may be conducted after a grant is closed if it is within the three-year records retention period.

9. Where can we find the addresses for state repositories or FBI background checks?

Answer: The addresses for the state repositories are found in the *Staff Screening Tool Kit (Third Edition)* developed by the Nonprofit Risk Management Center. The publication is found at <http://www.nationalserviceresources.org/staff-screening>. The FBI explains how individuals can access copies of their background checks at <http://www.fbi.gov/hq/cjisd/fprequest.htm>.

10. The importance of written policies and procedures is clear. Can you send us a couple of great examples used in programs so we can use as a template for creating our own?

Answer: Most organizations should already have general policies and procedures for their existing accounting and personnel systems that follow principles of generally accepting accounting standards. Guidance and some examples are available on the Corporation's Resource Center website at: <http://nationalserviceresources.org/program-management/financial-management>

However, organizational structures and systems differ widely and a standard set of policies and procedures frequently does not fit a specific organization's systems. You need to work

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with your administrative and executive staff to identify requirements that need specific procedures and develop them following the format your organization uses. Some AmeriCorps requirements for which you should have written policies and procedures are:

- Confirming eligibility requirements
- Conducting and maintaining criminal history checks
- Service hour timekeeping and reporting
- Establishing and maintaining member files
- Preparing and submitting financial and progress reports

11. Who is responsible for paying back the education award if the hours are wrong?

Answer: The program that improperly certified the education award is responsible for paying the education award back to the National Service Trust. Based on the specific situation, the Corporation may establish a debt for the entire amount of the education award or for only the amount of the award certified above the amount earned based on the hours served. In making that determination, the Corporation considers several factors, including the magnitude of the error, whether the hours shortfall was an isolated human error or widespread, the number of errors and whether the organization had implemented procedures to check accuracy of service hour records.

12. For 2009/2010 applications, is the maximum cost per MSY (fulltime) going to \$13,000 or \$18,000?

Answer: The Corporation sets a maximum cost per MSY each year in the application instructions. The cost per MSY applies to any National Direct grantee and applies as an average across all AmeriCorps grants to a state commission. A state can allow an individual program in its state to have a higher cost per MSY as long as the average in the state across all of its AmeriCorps grants is less than the cost set in the application instructions. The Kennedy Serve Act also places an upper limit on the cost per MSY of \$18,000. No program may ever have a cost higher than \$18,000.

13. Are there samples of in-kind documentation/cash forms that programs use?

Answer: There are examples of in-kind donation forms on the Corporation's Resource Center website at:
http://nationalserviceresources.org/files/legacy/filemanager/download/fin_mgmt/Sample-1-In-Kind-Contribution-Form.xls. There is also additional guidance on in-kind donations is offered at <http://nationalserviceresources.org/program-management/in-kind-donations>.

14. In eGrants there is a field labeled "Excess Program Revenue" whereas the printed form shows only "Program Income". This is misleading. Do we show **only** the excess program income over expenses? Or all of it? What do we do each reporting period if there is fluctuation – 1st quarter we may have excess but then even out the next quarter?

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Answer: The program income line on the FFR is defined as program income earned over the amount already reported as the recipient share of expenditures. That program income line is also defined as program income earned over the total budgeted match. Therefore the only time you should use this line is when you have program income over your total budgeted match (excess program income). Most program income will already be included on the line “recipient share of expenditures” because most programs use all program income to meet matching requirements. For more information on the FFR there are step-by-step instructions at <http://www.nationalserviceresources.org/videos/step-step-instructions-completing-federal-financial-report-ffr-egrants>.

15. When closing out a 3-year grant, does each FFR have to be reconciled to the grant for the period reported?

Answer: While the new FFR is cumulative over the project period of the grant, grantees prepare them on an average of every six months and must ensure the expenditures for that six-month period are accurate and reconcile to their accounting system at that time. Therefore, while the FFR no longer requires reporting for the individual six-month period, good accounting procedures still include reconciliation of the FFR to the accounting system when each report is submitted.

16. For staff hired prior to October 1, 2009 are background checks required?

Answer: Employees hired prior to October 1, 2009 do not need to have background checks so long as they were not required to have them under the prior regulations that went into effect on November 23, 2007. The preamble to the new regulations indicates, “Programs are not required to apply these changes to individuals hired or enrolled prior to” October 1, 2009.

17. Do we need to do background checks on staff that is only charged to the grant through indirect charges? i.e. fiscal staff, executive director.

Answer: No. Individuals in positions that are not identified on the grant budget as a direct cost are not serving in covered positions and do not to have background checks completed.

18. Other than § 2522.245, where can regulations concerning the distribution and management of living allowances be found? Where can regulation concerning member management, specifically regarding punitive or disciplinary action be found?

Answer: There are no other regulations concerning the distribution of the living allowance and requirements for disciplinary action. However, the Corporation’s grant provisions contain additional information and FAQs on the distribution of the living allowance are available at:

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19. Do timesheets have to be in quarter intervals or can we encourage sites to have members round to the nearest ½ hour?

Answer: The Corporation has not prescribed how time-keeping is reported. Organizations should follow their own established procedures for recording service hours and specify those procedures in written policies and procedures.

20. May we (subgrantee) request a no-cost extension for our Recovery Act grant?

Answer: Subgrantees must request no-cost extensions from their grantors. The rules for requesting no-cost extensions for Recovery Act grants are the same as they are for non-Recovery Act grants. They are approved if the grantee needs an extension to complete the activities authorized under the grant. For AmeriCorps programs this usually means to allow members to complete their term of service.

21. How broad can a service activity be for a member as it relates to the scope of the grant? For instance: The scope of our grant is school completion; however, we're a non-profit that initiates many community service projects that may not be related to school completion. Would our AMC members be able to participate and count those hours, or would the hours be disallowable because they're not in-line with the scope of the grant?

Answer: Your AmeriCorps members should provide service that meets the performance measures approved under your grant and described in your grant application. A governing principle should be that your goal is to meet your performance measures. If you want your members to provide service in a broader range of activities, you should describe those activities in your grant application and reflect them in your performance measures.